



January 14, 2004

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**DANA M. SMITH**  
Executive Officer

**TO:** Local Agency Formation Commission

**FROM:** Executive Officer  
Policy Analyst

**SUBJECT:** Bi-monthly Update on the Costa Mesa/Newport Beach Islands  
Annexations

At the May 14, 2003 hearing, your Commission directed staff to provide a bi-monthly update on the status of the Costa Mesa/Newport Beach Islands Annexations. The following report provides your Commission with the current status of the proposed annexations.

### **BACKGROUND**

At the September 16, 2002 LAFCO hearing, the Commission considered the resident-initiated Sphere of Influence (SOI) amendment application for West Santa Ana Heights (WSAH) and City of Costa Mesa's annexation application for the area commonly referred to as "Area 7." Area 7 includes the western portion of Santa Ana Heights, Santa Ana Country Club and the residential/commercial area south of Mesa Drive. At the hearing, the Commission approved the City's annexation application for Area 7 (excluding West Santa Ana Heights) and continued the SOI amendment and Costa Mesa annexation applications for WSAH to allow the City of Newport Beach an opportunity to serve the area. During the protest period for the portion of Area 7 approved for annexation to the City of Costa Mesa by the Commission, more than fifty percent of the registered voters submitted protests to LAFCO and successfully terminated the proceedings. Area 7 remains unincorporated.

Over the past two years, the Cities of Newport Beach and Costa Mesa and the County of Orange have held several meetings and discussions regarding Area 7. The agencies are continuing their dialogue and working collaboratively on an eventual annexation application for this area.

### **Recent Actions of the City of Newport Beach**

On November 20, 2003, the City of Newport Beach Planning Commission approved the rezoning for the portion of Area 7 that includes West Santa Ana Heights, Santa Ana Country Club and the residential/commercial area south of Mesa Drive. The Planning Commission also approved rezoning for two small residential areas that are currently located in the City of Costa Mesa, south of University Avenue and adjacent to Area 7. The City of Newport Beach is considering including these two areas in their potential application for Area 7.

The City of Newport Beach reasons that inclusion of these areas would create a more logical boundary should the city annex Area 7. Should the City of Newport Beach include these two areas in their application, concurrent detachment of these areas from the City of Costa Mesa will also be considered.

On January 13, 2004, the City Council of Newport Beach will hold a public hearing to consider the rezoning for West Santa Ana Heights, Santa Ana Country Club, residential/commercial area south of Mesa Drive and two small residential areas south of University Drive.

The City of Newport Beach is continuing discussions with the County of Orange regarding taking over the two County redevelopment areas located within Area 7. The City will keep LAFCO staff informed of this issue.

**The City of Costa Mesa's Position Regarding Annexation of Area 7**

At the November 12, 2003 LAFCO hearing, staff provided the Commission with a copy of a letter received from Mayor Monahan of Costa Mesa addressed to the City of Newport Beach expressing opposition to any effort by Newport Beach to annex the Santa Ana Country Club and the area south of Mesa Drive. LAFCO staff subsequently attended a meeting with both cities, whereby the City of Costa Mesa reiterated its opposition. Although rezoning of Area 7 has been approved by the City of Newport Beach Planning Commission, staff from Newport Beach has indicated that they will continue discussions with Costa Mesa regarding the eventual annexation application for the area.

**STAFF RECOMMENDATION**

Staff recommends that the Commission:

1. Receive and file the Bi-monthly Update on the Costa Mesa/Newport Beach Islands Annexations.

Respectfully,

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DANA M. SMITH

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CAROLYN L. THOMAS